



# United States Department of the Interior



## BUREAU OF LAND MANAGEMENT

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Information Bulletin No. **CA-2006-003**

To: All Employees

From: DSD, Support Services

Subject: Flexible Spending Accounts Open Season - November 14 to December 12, 2005

The Flexible Spending Account (FSA) open season begins Monday, November 14 and will end on December 12, 2005. During this open enrollment period eligible employees may make an election and receive reimbursements for expenses incurred during the 2006 Plan Year.

**What are flexible spending accounts?** They are accounts established that allow eligible employees to set aside pre-tax money to pay for certain kinds of expenses. With an FSA, you can reduce your taxes while paying for services you would have to pay for anyway. FedFlex provides two FSAs, a *Health Care FSA (HCFSA)* and a *Dependent Care FSA (DCFSA)*. Enrollment is voluntary no government monies will be used to fund this program.

**Who is eligible to enroll in the program?** Employees eligible for Federal health benefits (even if not currently enrolled) will be able to elect a healthcare FSA to cover expenses not covered under their FEHB plan or any other insurance. All employees with qualified dependents may elect to enroll in the dependent care FSA except temporary employees with no fixed work schedule whose tour of duty is six months or less.

### **FSAFEDS' enhancements to the program:**

1. You now have until March 15 of the following year to incur eligible expenses for the current plan year. While this does not eliminate the use-it-or-lose-it rule completely, this gives you a grace period to avoid forfeiting unused funds.
2. The deadline for submitting claims for eligible expenses has been pushed back to accommodate the grace period change. You now have until May 31 following the end of the Plan Year to submit claims for eligible expenses incurred through March 15.

3. The Health Care FSA maximum contribution for 2006 has been increased to \$5,000. A **Health Care FSA** pays for qualified medical expenses that are not covered or reimbursed by insurance. Insurance premiums, including premiums for long term care insurance, are not qualified medical expenses. Some examples of qualified medical expenses include dental services, vision services, chiropractic care and over-the-counter medications. Health insurance deductibles, co-payments, and coinsurance not reimbursed by another source are other examples. Employees may elect a minimum annual amount of \$250 and the maximum annual amount of \$5,000.

A **Dependent Care FSA** allows participants to be reimbursed on a pre-tax basis for child care or adult dependent care expenses that are necessary to allow the employee and his/her spouse to work, look for work, or attend school full-time. A qualifying adult is a parent or a sibling, who is physically or mentally incapable of caring for him or herself and is claimed as a dependent on your income tax return. The DCFSA minimum annual amount is \$250 and the maximum annual amount is \$5,000.

**How do I enroll?** Eligible employees who wish to enroll during this Open Season may do so in one of two ways:

- Through the website at [www.fsafeds.com](http://www.fsafeds.com) by clicking on the “Enroll” link; or
- By calling an FSAFEDS benefits counselor at 1-877-372-3337 (TTY 1-800-952-0450), Monday through Friday from 9:00am to 9:00pm EST.

**Effective Date of Open Season Enrollments:** Timely open season enrollments are effective on January 1, 2006, for the Plan Year that runs from January 1 through December 31, 2006.

**Participation in FSA is not automatic.** Employees must make a new election each year. The elections are irrevocable once the plan year has begun, unless the employee experiences a qualifying life event. These include change in marital status, change in number of dependents and change in employment status that affects your eligibility for benefits. The contractor will be responsible for determining if a life event has occurred.

To be eligible for reimbursement under an FSA, the expense must be incurred during the plan year. If an employee does not incur eligible expenses during the plan year, which equal the annual amount they have contributed to their FSAs, they will lose the balance remaining in their account(s) when the plan year ends.

Visit the FSAFEDS website at [www.FSAFEDS.com](http://www.FSAFEDS.com) to obtain detailed information regarding the FSAFEDS program.

If you have any questions regarding this bulletin, please contact Angie Dailly in the Human Resources staff at (916) 978-4476.

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